Consumer Confidence Survey

RL1105-4 9/12/88

- Business
- Employment
- Income
- Inflation
- Interest Rates
- Stock Prices

September 1988

CONSUMERS MORE CONFIDENT

The measure of consumer optimism, which had registered moderate losses in June and July, made up just about all of the ground in August. The Board's Confidence Index (1985 = 100) now stands at 119.2, a gain of almost six points for the month. As compared to the preceding two months, people are now more comfortable with ongoing business conditions and are also more positive in their expectations for the months ahead.

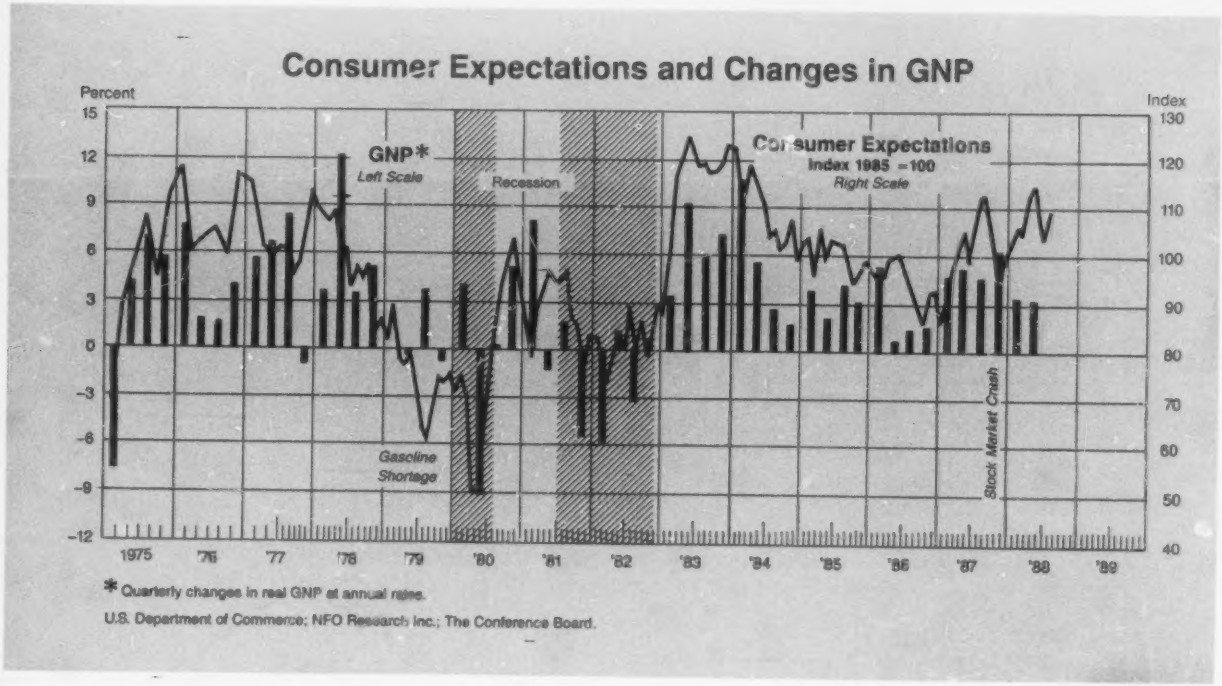
In assessing to ongoing conditions, a substantially larger number of people than last time now believe that business is "good"—32.4%, up from 28.4 percent. On the issue of job availability, consumers are also more positive than they were the month before.

In expectations of likely developments over the next six months, more people than previously now believe business conditions will be "better"—21.5%, up from 19.7 percent. There was also a rise in the number of those that believe more jobs will become available—19.5%, up from 17.7 percent. On the issue of their own financial circumstances, however, slightly fewer respondents than last time expect an improvement.

Buying plans are mixed. After many months of strong readings, the number of respondents that plan to buy a car has dropped to 7.2% from an earlier 8.9 percent. This puts car buying plans at their lowest level in almost a year. Interest in homes, which sagged in July, made up all of the loss in August. In the latest probe, 4.1% indicated that they would purchase a home within the next six months, a strong reading. Interest in acquiring a major appliance also perked up in August, with 33.6% of all respondents indicating such an intent, up from 30 percent.

The substantial increase in the Consumer Confidence Index in August was mostly due to a more hopeful mood in the agricultural regions. More favorable weather and the timely administration of the government's agricultural support programs, have evidently made for a better mood in the farm belt. The rest of the nation, too, was somewhat more optimistic in August than in July, apparently in response to the continuing vigor of the economy. Unemployment is low, earnings have been inching up, and inflation is still restrained. These are the ingredients that buoy the consumer's spirits.

Fabian Linden



Confidence and Buying Plans

Based on surveys conducted by NFO Research, Inc.

Percentage of all households = 100%

	Business					Employment						Income
	1987					1988						
All series seasonally adjusted.	*Aug.*	*Sep.*	*Oct.*	*Nov.*	*Dec.*	*Jan.*	*Feb.*	*Mar.*	*Apr.*	*May*	*June*	*July(r)*	*Aug.(p)*
Composite Series: Index Numbers, 1985 = 100													
Consumer Confidence Index	110.7	115.7	115.1	100.8	107.7	109.9	114.9	112.7	115.7	120.2	115.7	113.5	119.2
Present Situation	115.6	120.5	124.4	115.6	119.8	121.5	129.1	124.5	120.2	129.0	126.3	128.2	134.0
Expectations	107.5	112.5	108.9	90.9	99.6	102.2	105.5	104.9	112.8	114.4	108.6	103.7	109.3
Appraisal of Present Situation: Percent													
Business Conditions													
Good	28.5	29.9	30.9	26.4	24.8	26.4	29.6	29.1	28.3	31.6	27.4	28.4	32.4
Bad	20.3	19.4	19.4	20.3	18.5	18.3	18.9	18.8	20.9	18.4	19.7	19.1	17.5
Normal	51.2	50.7	49.7	53.3	56.7	55.3	51.5	52.1	50.8	50.0	52.9	52.5	50.1
Employment													
Jobs plentiful	27.0	27.8	28.5	26.8	27.0	29.5	31.4	28.9	27.8	30.8	31.1	31.3	32.1
Jobs not so plentiful	45.3	46.1	47.4	47.0	49.4	44.8	45.9	47.0	48.1	45.4	46.1	46.2	45.6
Jobs hard to get	27.7	26.1	24.1	26.2	23.6	25.7	22.9	24.1	24.1	23.8	22.8	22.5	22.3
Expectations for Six Months Hence: Percent													
Business Conditions													
Better	22.0	24.2	23.7	18.3	19.9	18.7	19.7	20.2	20.9	22.0	20.4	19.7	21.5
Worse	7.2	7.2	8.1	12.4	9.2	8.0	7.9	7.6	6.4	5.3	6.7	9.6	7.6
Same	70.8	68.6	68.2	69.3	70.9	73.3	72.4	72.2	72.7	72.7	72.9	70.7	70.9
Employment													
More jobs	20.*	20.9	19.3	15.5	16.8	16.2	16.7	15.8	18.2	19.0	18.3	17.7	19.5
Fewer jobs	15.3	14.2	13.8	19.1	15.6	15.6	14.4	14.0	11.9	12.6	13.8	15.0	13.6
Same	64.6	64.9	66.9	65.4	66.6	68.2	68.9	70.2	69.9	68.4	67.9	67.3	66.9
Income													
Increase	26.5	29.5	28.7	28.0	28.3	26.2	30.6	28.5	29.4	29.0	26.3	28.0	26.7
Decrease	7.5	5.8	7.3	9.1	8.4	6.3	6.5	6.7	6.0	6.0	6.4	6.2	6.4
Same	66.0	64.7	64.0	62.9	63.3	67.5	62.9	64.8	64.6	65.0	67.3	65.8	66.9
Plans to Buy Within Six Months: Percent													
Automobile													
Yes	7.1	8.8	8.5	8.2	8.2	7.5	9.6	9.4	9.1	9.4	8.9	8.9	7.2
New	3.6	3.8	4.2	4.3	4.5	3.7	4.7	5.3	5.5	4.9	5.0	4.6	4.2
Used	2.9	3.5	3.0	2.8	3.0	3.0	3.5	3.3	3.1	3.3	3.4	3.4	2.6
Uncertain	0.6	1.5	1.3	1.2	0.7	0.8	1.4	0.8	0.5	1.2	0.5	0.9	0.4
Home													
Yes	4.1	3.9	3.9	3.7	3.5	3.8	5.0	4.7	3.5	3.3	4.0	3.5	4.1
New	1.4	1.2	1.1	1.0	0.8	1.3	1.6	1.7	1.1	1.1	0.9	1.1	1.2
Lived in	1.8	1.8	1.7	2.0	1.7	1.7	2.1	2.1	1.7	1.3	2.1	1.5	2.0
Uncertain	0.9	0.9	1.1	0.7	1.0	0.8	1.3	0.9	0.7	0.9	1.0	0.9	0.9
Major appliances													
Total plans	30.5	32.5	32.0	31.1	28.2	29.4	36.0	34.0	35.0	35.8	30.3	30.1	33.6
Refrigerator	4.5	5.1	4.7	4.3	4.1	5.0	5.8	5.4	5.3	5.9	4.7	4.5	4.9
Washing machine	4.1	5.4	4.8	4.4	3.3	4.1	5.4	4.4	5.3	5.1	3.9	4.7	4.5
TV Set	7.2	7.5	7.5	7.9	7.5	6.7	8.2	8.5	7.9	8.6	7.5	6.1	7.7
Vacuum Cleaner	5.0	5.6	5.3	5.6	5.5	4.6	5.9	5.9	5.6	6.0	4.9	5.2	5.8
Range	3.3	2.9	3.6	3.2	2.8	3.1	3.5	3.2	3.9	3.1	3.1	3.2	2.7
Clothes dryer	3.6	3.7	4.0	3.7	3.1	3.7	4.2	4.2	4.4	4.9	3.8	3.8	4.3
Air conditioner	2.8	2.3	2.1	2.0	1.9	2.2	3.0	2.4	2.6	2.2	2.4	2.6	3.7
Carpet	6.0	8.3	6.7	6.8	7.7	8.3	8.3	9.5	6.2	8.7	7.6	7.1	6.7
Vacation Intended Within Six Months: Percent*													
Vacation Intended	51.9		54.3		50.9		51.2		49.7		48.5		51.6
Destination †													
U.S.	46.7		48.6		44.5		44.3		42.8		41.7		43.7
Foreign country	7.0		7.8		8.2		8.9		9.3		9.3		9.7
Means of travel													
Automobile	30.6		32.9		30.9		29.8		29.8		27.9		30.0
Airplane	21.2		20.4		18.9		19.9		19.1		20.8		20.6
Other	4.3		4.6		3.8		5.0		4.4		4.5		4.1

(p)—preliminary (r)—revised

* All vacation plans data have been revised based on updated seasonal factors. Historical data are available on request.

† The U.S. and Foreign country series for December, 1987 and thereafter are not strictly comparable to earlier months.

Data in this publication are available for downloading to your PC. For information, phone (212) 759-0900 Ext. 216.

Not seasonally adjusted	1987 Aug.	Sep.	Oct.	Nov.	Dec.	1988 Jan.	Feb.	Mar.	Apr.	May	June	July(r)	Aug.(p)
	Expectations for Twelve Months Hence: Percent												
Inflation Rate													
Average	4.4	4.3	4.4	4.5	4.5	4.3	4.3	4.3	4.4	4.4	4.4	5.0	4.9
Interest Rates													
Higher	63.9	73.9	75.0	55.2	58.5	58.9	49.9	58.9	58.0	66.5	71.5	67.3	73.8
Same	24.0	18.4	17.2	22.8	24.1	24.9	25.7	27.6	27.6	23.6	20.0	22.1	16.3
Lower	12.1	7.7	7.8	22.0	17.4	16.2	24.4	13.5	14.4	9.9	8.5	10.6	9.9
Stock Prices													
Increase	45.5	41.4	39.9	34.1	31.1	36.0	36.6	46.9	38.7	39.3	39.8	40.3	39.4
Same	33.0	31.4	31.0	27.0	28.6	31.0	33.6	34.6	33.6	34.3	35.8	34.8	33.1
Decrease	21.5	27.2	29.1	38.9	38.3	33.0	29.8	18.4	27.7	26.4	24.4	24.9	27.5

CONSUMER CONFIDENCE BY REGION

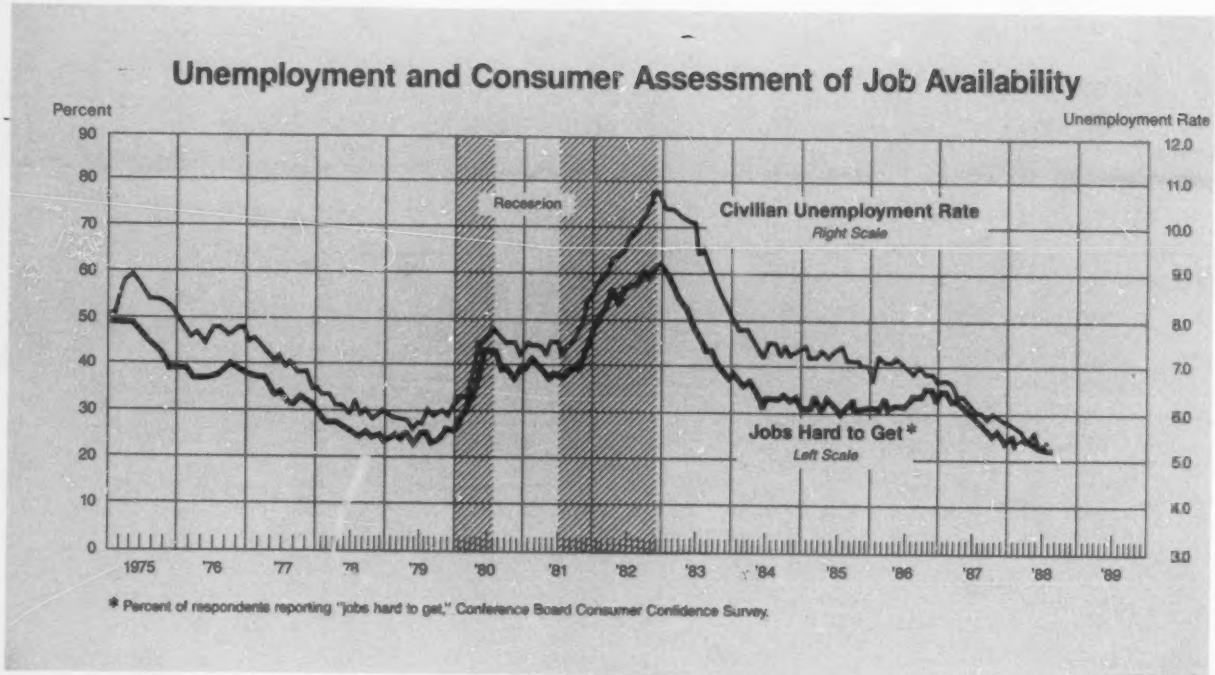
Seasonally unadjusted Index numbers:1985=100	1987 Aug.	Sep.	Oct.	Nov.	Dec.	1988 Jan.	Feb.	Mar.	Apr.	May	June	July(r)	Aug.(p)	AVERAGE: June,July,Aug. 1987	1988	Percent Change*
NEW ENGLAND																
Consumer Confidence Index	152.7	156.5	160.0	141.7	148.2	153.6	155.0	152.4	159.2	153.9	149.8	153.9	148.4	155.0	150.7	- 2.8
Present Situation	207.1	209.4	208.7	200.7	204.7	199.2	202.4	200.0	203.7	203.0	207.0	199.5	206.5	205.1	204.3	- 0.4
Expectations	116.5	124.6	127.6	102.3	110.6	123.2	123.4	120.6	129.6	121.2	111.7	123.6	109.7	121.6	115.0	- 5.5
MIDDLE ATLANTIC																
Consumer Confidence Index	107.0	117.9	124.0	101.5	108.8	114.5	114.8	122.0	123.6	125.5	121.8	120.8	127.3	108.4	123.3	13.8
Present Situation	121.5	139.9	152.2	127.5	137.3	142.4	136.2	143.9	142.9	142.9	152.6	145.8	156.7	125.1	151.7	21.2
Expectations	97.3	103.3	105.2	84.3	89.8	95.9	100.5	107.4	110.7	108.1	101.3	104.1	107.7	97.2	104.4	7.4
EAST NORTH CENTRAL																
Consumer Confidence Inde	91.6	102.9	103.8	88.0	87.9	97.0	97.0	95.3	104.0	108.7	102.3	95.5	103.0	87.4	100.3	14.7
Present Situation	102.3	111.7	116.0	99.4	96.3	103.4	99.2	91.3	102.8	107.7	111.0	116.5	123.7	95.8	117.1	22.2
Expectations	84.5	97.0	95.6	80.4	82.3	92.8	95.6	97.9	104.7	109.4	96.6	81.5	89.2	81.8	89.1	8.9
WEST NORTH CENTRAL																
Consumer Confidence Index	75.8	92.2	89.6	73.7	71.5	89.6	98.2	87.6	99.1	88.4	91.4	76.0	74.8	74.7	80.7	8.0
Present Situation	59.1	91.5	94.8	77.2	74.9	77.8	84.8	69.4	82.9	93.8	97.6	91.3	79.4	62.4	89.4	43.2
Expectations	86.9	92.7	86.1	71.4	69.3	97.5	107.2	99.7	109.9	84.9	87.3	65.9	71.7	82.9	75.0	- 9.6
SOUTH ATLANTIC																
Consumer Confidence Index	136.7	141.2	147.6	131.2	131.3	133.9	137.7	136.7	138.7	142.2	138.2	138.6	140.8	132.3	139.2	5.2
Present Situation	162.1	168.8	176.1	168.6	164.8	161.7	163.2	165.3	161.9	168.9	163.8	168.6	173.5	155.5	168.6	8.5
Expectations	119.8	122.9	128.6	106.2	109.1	115.4	120.7	117.6	123.3	124.5	121.2	118.6	119.0	116.8	119.6	2.4
EAST SOUTH CENTRAL																
Consumer Confidence Index	93.7	94.8	98.2	90.1	100.9	98.6	114.9	109.8	96.8	115.0	97.1	84.4	105.8	89.8	95.8	6.7
Present Situation	71.6	78.0	89.3	87.3	93.9	82.0	103.5	94.0	79.1	97.9	93.4	74.6	99.1	74.7	89.0	19.2
Expectations	108.4	106.0	104.2	92.0	105.5	109.8	122.5	120.4	108.7	126.5	99.6	91.0	110.2	99.8	100.3	0.5
WEST SOUTH CENTRAL																
Consumer Confidence Index	77.3	82.6	78.3	70.1	68.7	74.9	81.7	69.7	75.3	77.9	78.5	80.5	80.0	73.0	79.7	9.1
Present Situation	26.2	28.3	26.1	28.5	27.7	26.5	33.0	20.1	22.6	34.6	30.8	30.1	30.3	23.1	30.4	31.6
Expectations	111.4	118.8	113.1	97.8	96.0	107.2	114.3	102.8	110.4	106.8	110.3	114.1	113.1	106.3	112.5	5.8
MOUNTAIN																
Consumer Confidence Index	84.2	102.8	101.4	76.4	85.7	84.5	82.4	94.6	87.5	94.4	85.4	80.3	91.0	80.9	85.6	5.7
Present Situation	60.0	82.6	93.4	67.5	76.1	54.4	66.6	77.8	57.5	79.2	89.2	61.9	71.2	56.0	67.4	20.4
Expectations	100.3	116.3	106.8	82.4	92.1	104.5	93.0	105.8	107.6	104.6	96.2	92.7	104.1	97.5	97.7	0.1
PACIFIC																
Consumer Confidence Index	124.0	125.1	125.3	125.5	121.2	125.2	135.2	125.2	121.1	125.5	127.0	126.7	131.6	117.0	128.4	9.8
Present Situation	147.1	149.0	151.4	152.1	148.2	140.0	157.3	150.7	135.2	149.1	153.9	161.5	161.1	137.5	158.8	15.5
Expectations	108.6	109.1	107.9	107.7	103.2	115.4	120.4	108.3	111.7	109.7	109.1	103.5	111.9	103.3	108.2	4.7

*Percent Change: average of last three months shown as compared with same period year ago. Regional data are not adjusted for seasonal variations.

CONSUMER CONFIDENCE BY AGE AND INCOME CLASS

Seasonally adjusted index numbers: 1985 = 100	1987 Aug.	Sep.	Oct.	Nov.	Dec.	1988 Jan.	Feb.	Mar.	Apr.	May	June	July(r)	Aug.(p)	3 mos. Percent Change*
TOTAL U.S.														
Consumer Confidence Index	110.7	115.7	115.1	100.8	107.7	109.9	114.9	112.7	115.7	120.2	115.7	113.5	119.2	- 0.1
Present Situation	115.6	120.5	124.4	115.6	119.8	121.5	129.1	124.5	120.2	129.0	126.3	128.2	124.0	4.0
Expectations	107.5	112.5	108.9	90.9	99.6	102.2	105.5	104.9	112.8	114.4	108.6	103.7	109.3	- 3.2
AGE OF HOUSEHOLD HEAD														
Consumer Confidence Index														
Under 35	111.2	120.7	122.3	110.2	121.5	116.5	124.4	118.6	120.4	123.1	121.5	121.2	126.8	2.0
35-54	115.7	120.0	113.9	103.5	105.9	111.1	113.6	117.1	119.5	121.8	118.7	116.4	119.6	- 1.0
55 and over	102.7	102.5	107.2	86.7	95.6	99.1	104.6	98.7	104.4	113.8	104.7	102.2	111.0	0.3
Present Situation														
Under 35	116.9	126.3	130.6	123.0	130.6	126.5	137.8	128.0	127.1	129.9	130.1	134.5	145.6	6.5
35-54	121.6	128.2	123.6	114.4	118.3	122.5	128.4	131.9	124.5	130.3	129.9	130.5	133.2	1.8
55 and over	108.7	106.7	120.0	111.0	113.8	116.1	122.7	113.8	110.7	127.2	120.0	122.0	128.2	5.3
Expectations														
Under 35	107.4	117.0	116.7	101.6	115.6	109.7	115.4	112.3	116.0	118.7	115.7	112.4	114.2	- 1.4
35-54	111.8	114.4	107.4	96.2	97.7	103.6	103.9	107.4	116.4	116.2	111.2	107.0	110.5	- 3.4
55 and over	98.7	99.7	98.5	70.4	83.3	88.1	93.0	88.9	100.3	104.9	94.3	88.9	99.3	- 3.9
HOUSEHOLD INCOME														
Consumer Confidence Index														
Under $15,000	78.3	88.0	87.1	74.6	83.9	85.1	89.0	83.7	89.8	94.1	88.4	82.1	88.8	- 3.1
$15,000-24,999	100.4	106.2	113.8	97.8	103.4	106.0	116.7	107.6	109.8	112.8	102.7	104.8	117.0	- 1.7
$25,000 and over	130.3	131.8	128.6	114.7	120.6	122.7	126.8	127.5	129.7	135.4	132.(	130.9	133.8	1.1
Present Situation														
Under $15,000	74.9	77.4	82.5	74.9	77.6	74.7	80.1	74.8	78.6	88.5	83.2	83.3	84.4	3.6
$15,000-24,999	96.0	109.7	119.0	104.2	107.7	111.6	124.2	110.7	103.9	116.7	109.0	114.7	122.2	4.4
$25,000 and over	143.1	145.5	146.3	140.2	145.5	148.5	156.2	152.6	145.5	153.5	152.1	154.2	160.9	3.4
Expectations														
Under $15,000	80.7	95.5	90.5	74.4	88.(	91.3	93.7	88.7	97.0	97.9	92.1	81.5	91.9	- 6.4
$15,000-24,999	103.6	103.9	110.4	93.5	100.6	102.1	111.3	105.2	113.7	110.3	98.6	98.3	113.5	- 5.7
$25,000 and over	121.8	122.4	116.5	97.6	103.6	106.1	108.2	111.4	119.4	123.4	118.5	115.3	115.5	- 1.4

*Percent Change: average of last three months shown as compared with preceding three months. Age and income data have been adjusted for seasonal variations.



Consumer Research Center
The Conference Board, 845 Third Ave., New York, N.Y. 10022